

MINUTES OF THE MEETING
INDIANA HEALTH AND EDUCATIONAL FACILITY FINANCING AUTHORITY

July 26, 2006

MEMBERS PRESENT: Ryan Kitchell; Sue Scholer; Bill Lister; Lance Rhodes; and Kelly Borror.

ALSO PRESENT: Brenda Horn, Kristin McClellan, David Nie, Ice Miller; Mark Gastineau, Chase Bank; Curt Fritsch, CRF Financial Group; Sam Bick, Grandview Care, Inc.; Chris Carrera, Wells Fargo; Kelly McNairy, City Securities Corp.; Terri Hawkins, JPMorgan; Amy Kosnoff, Baker & Daniels, LLP; Jennifer Alvey; Rachelle Lore; and Dan Kramer.

Mr. Kitchell welcomed those in attendance, recognized the presence of a quorum and called the meeting to order at 11:00 a.m. on July 26, 2006, in Suite 900, One North Capitol Avenue, Indianapolis, Indiana, pursuant to notice thereof.

Mr. Kitchell asked for approval of the Minutes of the June 21, 2006, meeting of the Indiana Health and Educational Facility Financing Authority. Thereupon, upon motion made by Ms. Borror and seconded by Ms. Scholer, it was unanimously:

RESOLVED, the Minutes of the June 21, 2006, meeting of the Indiana Health and Educational Facility Financing Authority are hereby approved and the Executive Director is instructed to execute same and to place same in the Minute Book as the Minutes of the June 21, 2006, Meeting of the Indiana Health and Educational Facility Financing Authority.

EXECUTIVE DIRECTOR'S REPORT

A copy of the Executive Director's Report is attached hereto as Exhibit A.

The Executive Director began with the first item on the agenda, the Final Resolution for Grandview Care, Inc. in an amount not to exceed \$5,000,000. The purpose of this financing is for financing a skilled nursing and assisted living facility in New Castle.

Thereupon, upon motion made by Ms. Scholer and seconded by Mr. Lister, it was unanimously:

RESOLVED, the Final Resolution Authorizing the Issuance of the Indiana Health and Educational Facility Financing Authority Variable Rate Demand Revenue Bonds (Grandview Care Project), in the principal amount not to exceed \$5,000,000 and Approving and Authorizing other actions with respect thereto be and hereby is approved.

A copy of the resolution is attached hereto as Exhibit B.

The Executive Director then continued with the next item on the agenda, a Preliminary Resolution for Clarian Health Partners, Inc. in an amount not to exceed \$400,000,000. The purpose of this financing is to refund certain outstanding debt, including: Series 1996B, Series 1996C, Series 2000B, Series 2000C, Series 2000H and Series 2003I.

Thereupon, upon motion made by Mr. Lister and seconded by Ms. Scholer, it was unanimously:

RESOLVED, the Preliminary Resolution Authorizing the Issuance of the Indiana Health and Educational Facility Financing Authority Hospital Refunding Revenue Bonds (Clarian Health Partners, Inc.), in the principal amount not to exceed \$400,000,000 and Approving and Authorizing other actions with respect thereto be and hereby is approved.

A copy of the resolution is attached hereto as Exhibit C.

The Executive Director concluded his report.

There being no further business, the meeting was adjourned.

Respectfully submitted,

Executive Director

EXHIBIT A

**INDIANA HEALTH AND EDUCATIONAL FACILITY
FINANCING AUTHORITY**

ONE NORTH CAPITOL AVE., SUITE 900
INDIANAPOLIS, INDIANA 46204
(317) 233-4335 FAX: (317) 232-6786

REPORT BY

DANIEL KRAMER, EXECUTIVE DIRECTOR

July 26, 2006

Activities for the period June 22, 2006, through July 26, 2006, are as follows:

I. Discussions have been held with possible clients as follows:

Johnson Memorial Hospital (Franklin, Indiana)
Community Village, Inc - Hartsfield Village Project

II. Special Projects in Various Stages of Development:

1. Greenwood Village South Project - CLOSED	\$22,000,000
2. Union Hospital, Inc. - CLOSED	\$32,000,000
3. Grandview Care, Inc.	\$5,000,000
4. Clarian Health Partners	\$400,000,000

III. 1985 A Variable Rate Pool Activity

A. New Applications: None

B. Pending Applications: None

C. Approvals:

1. L.O.C. Required: Imaging Center of North Central, IN, Inc. \$3,500,000

EXHIBIT B

Final Resolution Authorizing the Issuance of the
Indiana Health and Educational Facility Financing Authority
Adjustable Rate Revenue Bonds, Series 2006
(Grandview Care, Inc. New Castle Project)
in the Principal Amount Not to Exceed
Five Million Dollars and
Approving and Authorizing Other Actions in Respect Thereto

Be it resolved by the members of the Indiana Health and Educational Facility Financing Authority (the "Authority") that:

Section 1. Grandview Care, Inc. (the "Borrower") has requested that the Authority issue its Adjustable Rate Revenue Bonds, Series 2006 (Grandview Care, Inc. New Castle Project) in an aggregate principal amount not to exceed \$5,000,000 (the "Bonds") for the purpose of providing funds to make a loan to the Borrower, a Participating Provider (within the meaning of Indiana Code 5-1-16, hereinafter referred to as the "Act"), for financing, refinancing or reimbursing a portion of the cost of constructing, acquiring or equipping certain Health Facility Property (as defined in the Act) of the Borrower. The Bonds, for which Fifth Third Securities, Inc. will serve as the Underwriter (the "Underwriter"), are being issued pursuant to a Trust Indenture (the "Bond Indenture"), between the Authority and The Bank of New York, Trust Company, N.A., as trustee (the "Bond Trustee"), which Bond Indenture provides that the Bonds will be secured by the pledging and assigning of a Series 2006 Note (the "Note") of the Borrower in like aggregate principal amount and certain rights of the Authority under the Loan Agreement between the Borrower and the Authority (the "Loan Agreement"), which Loan Agreement shall evidence a loan of the proceeds of the Bonds from the Authority to the Borrower for the purpose of (i) paying a portion of the costs of financing the costs of certain capital assets for the Borrower, including, but not limited to, the construction of a nursing home and assisted living facility in New Castle, Indiana (the "Project"), (ii) obtaining credit enhancement for the Bonds, (iii) funding a debt service reserve fund and (iv) paying certain costs of issuing the Bonds.

Section 2. The forms of the Bond Indenture, the Loan Agreement, the Note, and the other documents listed on Exhibit A hereto (collectively, the "Bond Documents") are hereby approved and shall be incorporated herein by reference and shall be kept by the Executive Director of the Authority.

Section 3. The Authority shall issue its Bonds for the purposes set forth in Section 1 hereof, in an aggregate principal amount not to exceed \$5,000,000 with an Underwriter's discount not to exceed five-eighths of one percent (0.625%) of the aggregate principal amount of the Bonds. The Bonds shall bear interest at rates determined in accordance with the Bond Indenture and will be subject to the redemption terms described in the Bond Indenture, as such Bond Indenture shall be approved by the Chair or Vice Chair. The proceeds of the Bonds shall be loaned to the Borrower to be used as more particularly set out in the Loan Agreement and the Bond Indenture. The Bonds will be payable as to principal, premium, if any, and interest from the payments to be made by the Borrower under the Loan Agreement or the Note, or as otherwise provided in the Bond Indenture. The issuance of the Bonds shall be contingent upon

receipt of the approval of the Lieutenant Governor of the State of Indiana pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"). The Bonds shall not constitute a debt of the State of Indiana or any political subdivision thereof, within the meaning of the provisions of the constitution or statutes of Indiana, or a pledge of the faith and credit of the Authority or the State of Indiana or any such political subdivision. The Bonds shall mature not later than twenty-six (26) years from the date of initial issuance.

Section 4. Either the Chair or Vice Chair of the Authority is hereby authorized and directed to execute the Bonds and the Executive Director of the Authority is hereby authorized and directed to affix the seal of the Authority, which shall be attested by the manual or facsimile signature of the Executive Director. The signatures of the Chair or Vice Chair and the Executive Director on the Bonds may be facsimile signatures. The Chair or Vice Chair of the Authority is hereby authorized and directed to deliver the Bonds to the Bond Trustee for appropriate authentication and the Bond Trustee may deliver such Bonds to or at the direction of the Underwriter upon receipt of an aggregate purchase price equal to the principal amount of the Bonds less an Underwriter's Discount not to exceed five-eighths of one percent (0.625%) of the principal amount of the Bonds, subject to the approval of the Chair or Vice Chair as described in Section 6 hereof and the approval of the Lieutenant Governor of the State of Indiana in accordance with Section 147(f) of the Code.

Section 5. Either the Chair or the Vice Chair of the Authority is hereby authorized, if required, (i) to approve and ratify changes and additions to the form of the Preliminary Offering Circular presented to the Authority and (ii) in order to assist the Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission, to deem the Preliminary Offering Circular final as of its date, except for the omission of the following information: the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings and such other terms of the Bonds which depend on the foregoing items. The Authority hereby approves the form of the Preliminary Offering Circular, and hereby approves and ratifies the Underwriter's distribution of the Preliminary Offering Circular and the Offering Circular for purposes of privately placing the Bonds. The Authority also hereby approves the distribution of the Offering Circular by the Underwriter to the purchasers of the Bonds. The Offering Circular shall be substantially in the form of the Preliminary Offering Circular now before this meeting and hereby approved, with such changes therein as shall be approved by the Chair or Vice Chair executing the same, with such approval to constitute conclusive evidence of the Chair's or Vice Chair's approval and the Authority's approval of any changes from or revisions to the form of the Preliminary Offering Circular now before this meeting.

Section 6. Either the Chair or Vice Chair of the Authority is hereby authorized and directed to execute, and the Executive Director to attest such signature where appropriate, and deliver the Bond Documents to which the Authority is a party, in substantially the forms presented to this meeting for distribution with such changes in form or substance as shall be approved by the Chair or Vice Chair of the Authority executing said documents, with such execution to constitute conclusive evidence of the Chair's or Vice Chair's approval and the Authority's approval of any changes from or revisions to the form of such documents now before this meeting.

Section 7. The Chair, the Vice Chair and the Executive Director of the Authority, or any of them, are hereby authorized to execute any other document which may be necessary or desirable to consummate the transaction described herein, including certain certifications requested by the Underwriter or Bond Counsel.

Section 8. The provisions of this Resolution and the Bond Indenture shall constitute a contract binding between the Authority and the purchasers of the Bonds, and after the issuance of the Bonds, this Resolution shall not be repealed or amended in any respect which would adversely affect the rights of such purchasers so long as any of the Bonds or the interest thereon remain unpaid.

Dated this 26th day of July, 2006.

INDIANA HEALTH AND EDUCATIONAL
FACILITY FINANCING AUTHORITY

Attest:

Daniel R. Kramer, Executive Director

EXHIBIT C

PRELIMINARY RESOLUTION AUTHORIZING THE ISSUANCE OF THE
INDIANA HEALTH AND EDUCATIONAL FACILITY FINANCING AUTHORITY
HOSPITAL REFUNDING REVENUE BONDS, SERIES 2006
(CLARIAN HEALTH PARTNERS, INC.)
IN A PRINCIPAL AMOUNT NOT TO EXCEED
FOUR HUNDRED MILLION DOLLARS,
AND APPROVING AND AUTHORIZING OTHER ACTIONS IN RESPECT THERETO

WHEREAS, the Indiana General Assembly enacted Indiana Code 5-1-16, as amended (the “Act”), which created the Indiana Health and Educational Facility Financing Authority (the “Authority”) which is empowered to issue bonds for the purpose of making loans to Participating Providers (as defined in the Act) for the financing, reimbursing or refinancing of all or any part of the cost of Health Facility Property (as defined in the Act); and

WHEREAS, Clarian Health Partners, Inc. (the “Borrower”), a Participating Provider within the meaning of the Act, has requested that the Authority issue one or more series of its Hospital Refunding Revenue Bonds, Series 2006 (Clarian Health Partners, Inc.) in an amount not to exceed \$400,000,000 (collectively, the “Bonds”) and loan the proceeds of such Bonds to the Borrower for the purpose of (i) financing or refinancing (including the current refunding of certain outstanding debt) a portion of the costs of constructing, acquiring, renovating or equipping certain healthcare facilities constituting Health Facility Property (the “Projects”) within the meaning of the Act, (ii) paying certain costs of issuing the Bonds, including underwriter’s discount, (iii) funding a debt service reserve fund, if any, and (iv) obtaining credit enhancement for the Bonds; and

WHEREAS, the Authority desires to issue Bonds and loan the proceeds to the Borrower for purpose of financing the Projects and all costs related thereto; and

WHEREAS, the Authority desires to authorize its Chair, Vice Chair or Executive Director to take certain actions in preparation for marketing of the Bonds;

Be it resolved by the members of the Authority that:

Section 1. Based on the application of the Borrower, the Authority hereby finds that the Projects are necessary or helpful to provide, directly or indirectly, healthcare, habilitation, rehabilitation or therapeutic rehabilitation services; or any related supporting service, in Indiana, and thus constitute Health Facility Property within the meaning of the Act.

Section 2. Bonds in an aggregate principal amount not to exceed \$400,000,000 are hereby authorized to be issued under and pursuant to the Act and the proceeds thereof loaned to the Borrower for the purpose of financing and refinancing the Projects, provided, that the appropriate actions are taken pursuant to the Act, the Internal Revenue Code of 1986, as amended, and applicable securities laws as may be required to implement the aforesaid financing and that all of the foregoing shall be mutually acceptable to the Authority and the Borrower.

Section 3. The underwriters selected by the Borrower are hereby authorized at the appropriate time to distribute one or more Preliminary or Final Official Statements to potential purchasers of the Bonds.

Section 4. The Chair, Vice Chair or the Executive Director is hereby authorized and empowered to approve the Preliminary Official Statements and deem the Preliminary Official Statements final as of their respective dates, except for the omission of the following information: the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings and other terms of the Bonds depending on such matters.

Section 5. The Chair, Vice Chair and the Executive Director are hereby authorized to take such actions which may be necessary and advisable to prepare for the issuance of the Bonds, subject to the final approval of the terms and conditions thereof by the Authority.

Dated this 26th day of July, 2006.

INDIANA HEALTH AND EDUCATIONAL
FACILITY FINANCING AUTHORITY

Attest:

Daniel R. Kramer, Executive Director